Account: Account is a summarized record of all the transactions relating to every person, every thing or property and every type of service.

Ledger: The book of final entry where accounts lie.

Journal entries: A daily record of transaction.

Trail Balance: It is a statement of all the ledger account balances prepared at the end of particular period to verify the accuracy of the entries made in books of accounts.

Profit: Excess of credit side over debit side.

Profit and loss account: It is prepared to ascertain actual profit or loss of the business.

Balance Sheet: To ascertain the financial position of the business. It is a statement of assets and liabilities.

Types of accounts

Personal account: Personal accounts are the accounts of persons, firms, concerns and institutions which the businessmen deal.

Principles:

Debit the receiver
Credit the giver

Real Account: These are the accounts of things, materials, assets & properties. It has physical existence which can be seen & touch.
Ex. Cash, Sale, Purchase, Furniture, Investment etc.

Principles:

Debit what comes in
Credit what goes out

Nominal account: Nominal account is the account of services received (expenses and Losses) and services given (income and gain)
Ex. Salary, Rent, Wages, Stationery etc.

Principles:

Debit all expense/losses
Credit all income/ gains
<table>
<thead>
<tr>
<th>No.</th>
<th>Code</th>
<th>Description</th>
<th>Debit Account</th>
<th>Credit Account</th>
<th>Nature</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>F5</td>
<td>Payment</td>
<td>Dr. X</td>
<td>Cr. Cash</td>
<td>Real</td>
<td>1,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Receiver</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>F6</td>
<td>Receipt</td>
<td>Cr. commission</td>
<td>Cr. Cash</td>
<td>Nominal</td>
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<td></td>
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<td></td>
<td>Credit all income</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>F6</td>
<td>Receipt</td>
<td>Cr. interest on bank deposit</td>
<td>Dr. Bank</td>
<td>Nominal</td>
<td>100</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Credit all income</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>F4</td>
<td>Contra</td>
<td>Cr. Cash</td>
<td>Dr. Bank</td>
<td>Real</td>
<td>1,000</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>Comes in</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>F5</td>
<td>Payment</td>
<td>Dr. Advertisement</td>
<td>Dr. Cash</td>
<td>Nominal</td>
<td>500</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Debit all expenses</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>F9</td>
<td>Purchase</td>
<td>Cr. Cash</td>
<td>Dr. purchase</td>
<td>Real</td>
<td>800</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Goes out</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>F8</td>
<td>Sales</td>
<td>Cr. Sales</td>
<td>Cr. Cash</td>
<td>Real</td>
<td>1,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Comes in</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>F5</td>
<td>Payment</td>
<td>Dr. salary</td>
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<td>500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Debit all expenses</td>
<td></td>
</tr>
</tbody>
</table>

To view- Gateway of tally-Accounts info-Ledger -Multiple ledger Alter-All items
(for ledger)
Gateway of tally-Display-Day book-Alt+F1 (to see detail) (Accounting Voucher)
Formal Shirts Pan America-35Pc-400
Peter England-30Pc-450
Jeans Pants Tiger-20Pc-500
Ruff and Tuff-30Pc-350
Cotton Pants Arrow-40Pc-200
Ex-Calibar-20Pc-250

13. Paid Postage Rs. 500 by cheque
14. Received commission Rs. 15,000
15. Paid wages Rs. 2,500

Procedure for Inventory Problem

Gateway of Tally-Inventory Info-Unit of Measure-Create-
Symbol- Nos. Pos
Formal Name-Number Pieces

Gateway of Tally-Inventory Info-Stock Group-Create
Chocolate, Medicines, Cotton Pants, Jeans Pants, Formal Shirts, T-Shirts

Gateway of Tally-Inventory Info-Stock Item-Create

5 Stars
Kitkat
Cadbury
Dairy milk

Moov
D’Clod
Adhesive Tapes
Band Aid box
Boric Acid powder

Lee
Nike
Pan America
Peter England

Tiger
Ruff and Tuff

Arrow
Ex-Calibar

Chocolate

T-Shirts